

Financial Statement

OF

The HON. T. W. McGARRY

TREASURER OF THE PROVINCE OF ONTARIO

Delivered on the 7th March, 1916

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

On moving the House into Committee of Supply

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO :

Printed by A. T. WILGRESS, Printer to the King's Most Excellent Majesty

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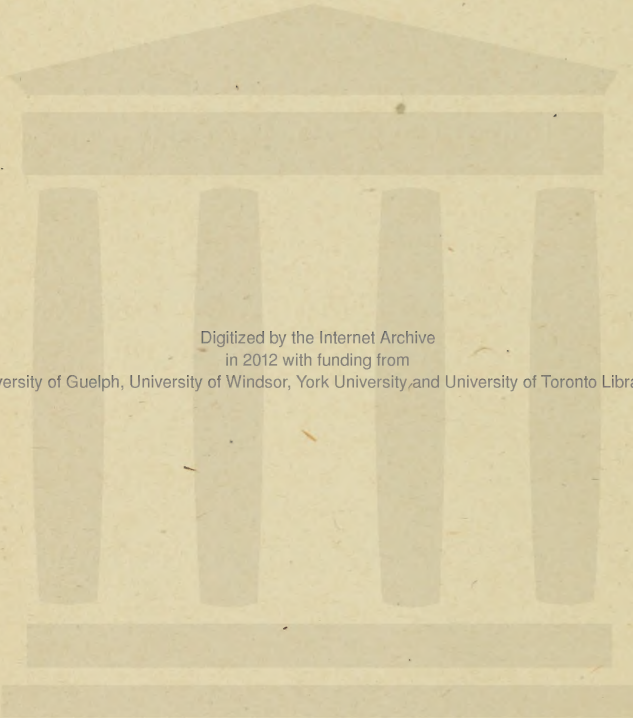
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BUDGET SPEECH

DELIVERED BY

HON. T. W. MCGARRY

TREASURER OF THE PROVINCE OF ONTARIO

7th MARCH, 1916

MR. SPEAKER,—A year ago, when for the first time I moved the House into Supply, we were looking back upon seven months of terrible warfare. During the months that had preceded my address we had undergone many vicissitudes in a financial way; there were many hours of worry and uncertainty for the members of the Government of Ontario.

The twelve months which have elapsed since then have been brightened by many episodes which ought to be given a place in our memories, and which I hope are the harbingers of brighter days to come. During that time there has been much suffering, and if during these twelve months we have witnessed tremendous forces battling on the fields of Flanders and of France; if we have witnessed thousands of our own Canadian boys stricken on these fields; if we have been forced to contemplate an ever-rising war debt in these Dominions and have faced many situations which were unknown to us prior to this war; we, too, can remember with gratification the brighter incidents which have accompanied these past days.

We know there were many members on both sides of the House who appeared together on the public platform. They sank for the time being their political differences in order that the great contest in which we are engaged might be brought to a speedy termination. The life of the Dominion Parliament has been extended, an evidence of the sincere desire of that House that we should unite in this struggle.

It is a fact, too, that during the last few months in Ontario we have witnessed our Prime Minister and the Leader of the Opposition sitting side by side on the British Red Cross Committee, both of them giving their splendid abilities that the name of Ontario might go out to the world as doing her duty at the supreme moment of a fearful emergency. (Applause.)

It was a matter of personal satisfaction to me that during these last months on more than one occasion I found myself speaking from the same platform with the Honourable the Leader of the Opposition, the Honourable member for Prince Edward, the Honourable member for Windsor, all of us endeavouring to further the same cause. For the time being our political differences were forgotten; we directed our efforts to the object of inducing the people of Ontario to give generously to patriotic purposes and to pointing the way to our young men to make the sacrifices which we think they should make in this hour of trial. All these instances go to show how necessary it is for us, as members of this House, always to have before us the one object,—the speedy and successful termination of this war.

Personal Sacrifices Made.

On many occasions when I spoke I could not but regret that the Prime Minister was unable to attend more of these meetings; because I know by his eloquence he would have been able to do much for recruiting in Ontario. If he was unable to do much in that way during the past few months it was because he overtaxed his strength before full recovery from an earlier illness. He was too assiduous in his devotion to duty. But if he has not given of his own time he has made a greater sacrifice than most of us. He has given to the service of the country both his sons (applause) and within a week they will be overseas.

I am glad to welcome here to-day my hon. friend Colonel the Honourable Minister of Education. (Applause.) He left us

several months ago expecting that his visit to England would be short. He went there to establish a hospital on behalf of the Province of Ontario. He comes back having fulfilled that duty, and we are in the proud position to-day of having the approval of the Imperial authorities and the Dominion authorities of a hospital second to none on the continent of Europe; a hospital which will give to the wounded soldiers to the number of over one thousand a place of rest and recuperation, a place for care, and if during these months we have missed his assistance around the council board, we feel assured that he was better engaged in building for Ontario a monument that will live through the ages as showing Ontario's heart to be in the right place when we decided to devote half a million dollars in caring for the wounded soldiers.

Let me say, too, we welcome back the Honourable Minister of Agriculture. Though he has been unable to devote all the time he would have liked to doing what he could, he, too, has given to his country both his boys, who are now in khaki and going to the front to fight.

And the Minister without portfolio, the Honourable member for North Toronto (Mr. Foy) has also given his son, and that son is convalescing from a wound received in France some months ago.

The Honourable the Provincial Secretary has also given from his family his only son, and that son is now on the field of battle in France fighting for the Empire.

The elder son of the Honourable the Attorney-General is also in training and will soon cross the seas to represent his family worthily at the front.

Members at the Front.

I do not mention these Ministers here for the purpose of exalting them unduly. I mention them in order to show the spirit which reigns throughout the Legislature. And as we look around us and see the flags on the desks of the mem-

bers who have consecrated their lives to the service of their country, we recognize how all-important it is that the message which goes across the ocean to the soldiers from us will be a message of harmony and determination. (Applause.)

I want to refer to one hon. member of this House who has been on duty since August, 1914, the member for Kingston, Lieut.-Col. Dr. A. E. Ross. (Loud applause.) He is not a novice at soldiering. In the South African War he fought through the campaign. In the present war he was one of the first to volunteer. He left his family, he left his friends, he left a large practice in Kingston and his teaching in Queen's University. He subordinated all his civil interests to the service of his King and country. During the months gone by I have heard of the way in which he is consecrating his life to that service. On many and many occasions he was out where the bullets were thickest and where the boys were falling, giving that succour which they required. In the memorable battle of Ypres for three days and three nights the member for Kingston was on duty, without sleep, giving the best of his skill to our men. (Applause.) Is it any wonder that when the Ontario Government was given an opportunity of choosing a superintendent for the hospital in Great Britain the choice fell on the member for Kingston? (Applause.) He did not accept at first, and I have here a letter written to me during the last month which is typical of the man himself:

"I came here to do my duty, and the question is: where am I of the most service? We have come to our present position through a lot of gruelling and discipline and organization. With the medical work here I am perhaps best acquainted. My work has been appreciated or I would not hold my present position. I would do much to satisfy the Province, but after thinking it over carefully I have come to the conclusion that while my health remains this division has first claim on me."

He says, "Better stick till the last dog dies, and mine may not be long."

It is the hope of this Government that we may be able still to prevail upon him to accept the high office of superintendent of this hospital. As you are aware, his King has already acknowledged the eminent services which he has given to our cause.

I need not dwell upon the fact that many other members of this House, on both sides, have offered their services and are in uniform, and under these conditions I enter upon the discussion of the finances of the Province of Ontario with no intention of allowing any partisan spirit to enter into it.

A Surplus Instead of a Deficit.

When I spoke from my place in the House twelve months ago I had to tell a different story from that which I shall tell to-day. Then I told the House that we had a deficit of \$693,000 on the year's business. This year I have not a story of that kind to tell. We have gone on carrying out the wishes of the people so far as we could, spending money where we thought it was necessary, doing what we thought was in the interest of the whole Province. But instead of a deficit we have something different to-day. Our total ordinary receipts during the last year amounted to \$12,975,732, and our total ordinary expenditures amounted to \$12,704,362, leaving a net surplus on the year's business of ordinary receipts over ordinary expenditures of \$271,370. (Applause.)

The War Tax Not Included.

I do not want any person to think that the imposition of the provincial tax for war purposes last year has anything to do with the making of this surplus. The war fund is not considered in arriving at that surplus at all. If my hon. friends will look at the third page of the statement before them showing receipts and expenditures, at the bottom of the left hand column they will find an item of \$1,346,478, revenue from the Ontario War Tax Act by the sale of treasury bills. Now if

they will look at the opposite column they will find under expenditure by the Ontario Government in 1915 an exactly similar amount, \$1,346,478. The balance of the war fund obtained from the loan you will find carried down in capital receipts, because until the 31st October we had not expended that money, but since we have expended more than that balance and start out the year with nearly \$200,000 more, which we will raise during the present year. I therefore say we have a surplus of \$271,000 of receipts over expenditures without considering at all the war fund. And I might say to my hon. friends lest they begin to get curious, that there is no item of \$544,000 from the T. & N. O. this year. (Opposition applause and laughter.) But last year there was. (Renewed laughter.) There was considerable merriment over the item of \$544,000, but recollecting that the time of hon. members of this House and the time of one of the principal committees of the House was taken up with this item I felt it would be unfair to the Province of Ontario to have a similar item in this year. (Applause.) I appreciate the compliments of my hon. friends. Let me say I take great pride in the fact that during the past year our receipts have exceeded the receipts of any other year in the history of the Province by over one million dollars in actual cash. (Applause.) Let me point out a few of the instances in which the receipts of this Province have improved.

Increase in Revenue.

We estimated last year the ordinary receipts would amount to \$10,000,000, but did not include in that the war fund. We have actually received \$12,975,732, or an increase of \$2,975,000; of that \$1,346,000 is war fund, and the balance is accounted for by the increase in revenue. Let me state briefly where the increases are.

From interest we have received \$240,641, as against \$114,648, an increase of \$125,993. From the Provincial Secretary's Department there is an increase of \$90,000. From

corporation tax there is an increase of \$445,000. From succession duties an increase of \$433,000; from Hydro-Electric an increase of \$136,000 on interest; and from casual revenue an increase of \$167,000; from Queen Victoria Niagara Falls Park and Hydro-Electric sinking funds, \$275,000, making a total increase of \$1,674,000.

From the Department of Crown Lands there was a decrease of \$318,000 from the amount received in 1914. But let me explain that the Crown Lands revenue exceeded the estimate made by my hon. friend the Minister of that Department. (Hon. Mr. Ferguson.) In licenses there was a decrease of \$58,000, which is occasioned principally by a falling off in the 5 per cent. tax on bar receipts.

Altogether there was a net increase of \$1,200,000.

Of What the Revenue is Composed.

With regard to interest you will notice a considerable increase. That was caused by the condition of the money market. The money market has changed during the last few years. To-day we are obliged to do most of our borrowing in New York. There are times when the price of money is much more favorable for the borrower than others, and taking advantage of these times we decided to carry over a larger amount of money than is usually the case. At the close of the year you will find we had on hand \$4,493,000 as against \$1,575,000 last year. You will recollect, too, that the corporation tax of \$1,800,000 and the revenue from the Department of Lands comes into the treasury in the months of September and October, and out of this source of revenue we were carrying over considerable money.

Among the other items of revenue is that of the Provincial Secretary's Department. From that Department we received \$1,637,559, made up as follows: Automobile licenses, company returns, letters patent, public institutions, \$446,000. The revenue from the public Institutions branch was \$379,000; from liquor licenses, \$801,903; from the Registrar-General's

Branch, Board of Health and Neglected Children's Branches, \$9,309. The increase in the automobile licenses was due to the higher tariff, and amounted altogether to \$92,504. The increased revenue from public institutions will appear as usual in the Public Accounts, and you will see wherein it is increased. Next year, by reason of certain changes which are being made in the tax for automobile licenses, we hope to have a revenue of something over \$500,000. We submit to the House that this is a reasonable source of revenue because of the fact that the roads of the country are being used continuously by these machines, and we should ask from the owners a fair contribution for the upkeep of our roads.

The revenue from the Game and Fisheries Branch increased from \$150,000 to \$168,000.

The Tax on Insurance Companies.

The Corporation Tax increased last year from \$1,386,000 to \$1,831,311. Last year I told this House that the Canadian life insurance companies had refused to pay the tribute which we levied upon them. At that time it was submitted to the courts by my hon. friend the Attorney-General (Mr. Lucas), who preceded me as Treasurer, and judgment was handed out even before the close of last session stating that the tax of $1\frac{3}{4}$ per cent. on gross premium receipts was a direct tax and within the power of this Legislature to impose. You will recollect we passed certain legislation levying upon every insurance company doing business in Ontario a tax of \$30,000. That tax, of course, would have exceeded the tax of $1\frac{3}{4}$ per cent., but the intention of this Legislature and the Government was that we would not exceed the $1\frac{3}{4}$ per cent. The insurance companies decided they might better pay it, because we had taken provision in that legislation that the Provincial Treasurer would have the power to reduce the tax of \$30,000 to equal $1\frac{3}{4}$ per cent. upon the gross receipts of the insurance companies. Last year, when the insurance companies were taking a different position from that which they take to-day, I

said some pretty hard things of them, but I found after meeting the heads of some of the companies that they were perhaps not such terrible men as I thought they were, and possibly they found that I am not quite so bad as I appeared to be. (Laughter.) However that may be, when they presented their case to me they told me they were in a position to show that the tax worked an inequality among the different companies. I told them that during war time the Government could not consider slight inequalities. They must pay this tax until the war is over. When the war is over the Government would listen to any reasonable argument, and if these inequalities existed they would be adjusted, remembering always that they must pay tribute to the state, because the "King's Government must go on."

Income from Succession Duties.

The next item with which I want to deal is Succession Duty. Last year we received for succession duty the largest amount in the history of the Province. We received altogether from succession duty \$1,615,000. This is a large sum of money, and some hon. members might say that this was due to the fact that we concluded an investigation with reference to one estate. Let me say with regard to that estate, it has nothing to do with the amount of returns from succession duties. Last year when this House met my hon. friend the Attorney-General (Mr. Lucas) had already placed upon the statute book a law providing for an investigation in certain cases, and I said with reference to one prominent estate an investigation was proceeding before Mr. Justice Middleton. I refer to the estate of the late Senator George A. Cox and his son Edward W. Cox. The investigation proceeded and evidence was taken during several months, counsel attended and an expert accountant was appointed. We now have a settlement from the Cox Estate. Originally the estate of Senator Cox filed a valuation with the Provincial Treasurer amounting to \$870,000, and, with deductions of \$55,000, a net value of

\$815,000. The valuation presented by the estate of his son Edward W. Cox amounted to \$499,000, with deductions of \$132,000, leaving a net value of \$367,000. By reason of the investigation the value of the estate of Senator Cox was increased by \$4,019,000, and the valuation of the son's estate was increased by \$1,229,000. Under the original valuation we would have received from the estate of the late Senator Cox \$52,000 or \$53,000 in succession duty. Under the findings of Judge Middleton we will receive \$425,000 of duty, an increase in duty of \$373,000. From the son's estate we would have received in duty \$32,000. Under the revised valuation we received \$251,000, an increased amount of \$219,000. By reason of the investigation held, we will receive \$592,000 more than we would have received had my hon. friend not placed upon the statute book that legislation and had we not proceeded with the investigation. (Applause.)

A Friendly Settlement Effected.

I want to say one word in regard to the report of Judge Middleton in connection with that estate. It might be said by some that the Government followed that estate because political events might have transpired to urge them on with the investigation. There is nothing in that. The investigation was carried on by an unbiased judge and by an independent accountant. The investigation was carried on with the assistance of the executors of the Cox Estate. I wish to pay a tribute to the men who appeared at that investigation on behalf of the estate and furnished every facility in order that we might reach a settlement. I would like to pay a special tribute to young Mr. Cox, who is now living, for the assistance he gave the Government. There were honest differences of opinion with reference to a large portion of the estate. With reference to other portions there were differences of opinion as to the valuation, but there were no differences of opinion with regard to the bad advice given by some person to the Cox Estate. In my opinion bad advice was the cause of the position in which the Cox Estate found itself by reason of the investigation.

We have now on the statute books a law which provides that where any representatives of any estate fail to disclose to the Government any portion of an estate which might be liable for duty, they will after investigation be liable not alone for the ordinary duty but for an additional 25 per cent. upon the portion of the estate which they fail to disclose. And speaking from my place here as custodian of the funds of the Province I intend for the future and the Government intends for the future that where men endeavour to hide the true valuation or fail to disclose the existence of assets the 25 per cent. penalty will be exacted.

Receipts from T. & N. O. Railway and Hydro-Electric.

We have received from the Temiskaming and Northern Ontario Railway the sum of \$250,000, and of this \$25,094 is from the Nipissing Central. This does not meet the amount of interest and sinking fund on the capital investment.

We have received from the Hydro-Electric Power Commission the sum of \$452,320, being the interest payment on the investment, and \$175,000 for sinking fund. This is the first payment on account of sinking fund made by the Hydro-Electric to the Government.

Receipts from the War Tax.

We received from the Ontario war tax imposed last year \$1,929,816, and there is still due upon that tax \$60,000, making a total of \$1,989,000 which we will receive for Ontario war tax last year. You will remember I estimated that we would receive about \$2,000,000. We are consequently within \$11,000 of the estimate then made. Later on I will show to hon. members of this House how we expended that sum of \$1,989,000, and how we intend to expend the money which we will receive during the present year.

It is the intention of the Government to continue that tax during the present year, to collect that tax and expend the money in the same way that we expended it last year. I

mean expending it for the purposes of the war, and I am sure my hon. friend the Leader of the Opposition (and I say this in no party spirit) has seen the wisdom of our being in a position to apply that fund from time to time as emergencies arose. We have had occasion during the last twelve months to be well pleased that we adopted the course we did last year,—namely, to give the Government the right to say when and by what means and through what channels they would apply that fund for war purposes.

MR. ROWELL: Do I understand part of the money came in during the last fiscal year?

HON. MR. MCGARRY: None of the money was payable until the 31st of December. There may have been a few dollars during the last week of December.

Capital Receipts and Loans.

Now passing on to capital receipts: during the past year we did considerable borrowing of money. We had to borrow for the purpose of paying off maturing liabilities. Last year I told the House we had been borrowing money in Great Britain to the extent of £900,000 (or \$4,500,000), which we had under loan at short date. We were paying 6 per cent. when the war broke out. Subsequently that was reduced to $4\frac{3}{4}$ per cent., and we continued borrowing. The first loan was one of \$3,000,000. That loan was issued in 1914 by my hon. friend the former Provincial Treasurer, but only \$1,250,000 of this had been received in 1914. The balance we floated in the fiscal year of 1915. It was floated at 5 per cent. with brokerage of $\frac{1}{2}$ per cent. The second loan of \$3,000,000 was floated in February at 5 per cent. This loan brought 100.38, with a brokerage of $\frac{3}{4}$ per cent., netting the Province 99.63. That was for the purpose of paying off £300,000 Treasury Bills in London and \$1,500,000 due to the Bank of Montreal in Toronto which was drawing 6 per cent. Another issue was made in April of \$1,000,000 at 5 per cent. It was issued at 100.25 without commission, consequently it cost less than 5

per cent. to the Province. In connection with the issue of \$4,000,000 at $4\frac{1}{2}$ per cent. at ten years, that was sold at 96.58 after we received quotations from a number of prominent houses.

It was said by all financial institutions in this country at the time that that was the best rate obtained by any country during the last twelve months. (Applause.)

Another issue of \$2,000,000 Treasury Bills was made on May 10th. That was against our war tax, and was made in New York. We got that money for nine months at $3\frac{7}{8}$ per cent. We issued \$3,000,000 in September, and that issue was made for the express purpose of retiring Treasury Bills due in London, where we had a similar amount maturing. We were paying for that money in London $4\frac{3}{4}$ per cent. We borrowed the money in New York at $4\frac{1}{2}$ per cent. and we bought exchange upon London for that money. We bought exchange enough to pay our bills in London and in the whole transaction we made for the Province of Ontario \$125,434 profit. (Applause.) In other words, we obtained a loan of \$3,000,000 at such a figure that the \$3,000,000 is costing the Province not one cent during the nine months for which we have the money. We paid all commissions and have \$10,000 profit. (Applause.)

It was absolutely necessary for us to get the exchange. My hon. friends who were on the British Red Cross Committee will remember how anxious certain gentlemen in Toronto were that they should buy exchange at a favourable rate when it happened to be down. We had to buy exchange for the British Red Cross Society, and we bought it just as soon as we were in a position to get a favourable rate. The rate which the Province of Ontario paid for exchange was the last real good rate obtained in the market. The effect of buying exchange, strange as it may seem, was to help Britain. We helped England, we helped Canada, and we helped Ontario by making \$125,000. (Applause.)

How the Loans were Applied.

During the year our loans altogether amounted to \$14,000,000, a large sum of money. Out of that sum we paid \$6,000,000 in retiring old loans, paying off Treasury bills outstanding. That left \$8,000,000, and of that \$8,000,000, \$2,000,000 was borrowed against the war fund, which left net borrowings of \$6,000,000. Of that sum nearly \$3,000,000 went into the Hydro-Electric, and of the other \$3,000,000 we have that at our credit in the bank to-day. (Applause.) At the end of the year, on the 31st of October, we carried over \$3,900,000 in cash more than we carried the year before. Let not my hon. friends opposite be afraid because we have borrowed extensively during the past year. If we have borrowed (and I say this not defiantly, but not afraid of criticism), there is no Province, there is no Government to-day among all the warring countries and many that are not warring—outside of the United States of America—which has borrowed more prudently than the Province of Ontario. I am not applying all that wisdom to myself or to my colleagues. We all recognize that Ontario has entered upon a period when financial advice is good for the Province, and in seeking financial advice I have been fortunate enough to have consulted men who are familiar with the whole problem of world-finance.

Let me especially emphasize the fact that in going to the New York market you are going to a market which is most critical, which requires upon every occasion all details as to security offered. You are forced to give a full explanation of every application you make. Fortunately for ourselves we were not entering upon any new enterprises. We had not gone there proposing to exploit anything. We had gone there to borrow for the purpose of paying off our debts and bringing to fruition works already undertaken. We were able to say that we were living within our income, a wholesome condition for those who seek a loan.

Travelling Along Safe Ground.

Now, dealing with ordinary expenditure, the total ordinary expenditure for 1915 was \$12,704,362, but deducting the amount of the war fund, which I said before is offset by a similar amount in receipts, you will find the total expenditures for last year were \$11,357,883. Last year (1914) it was \$11,819,310; or, in other words, we have made a reduction in ordinary expenditure for the year just closed of \$461,426. Hon. members will agree with me that when you have a reduction of expenditure and an increase in receipts you are travelling along safe ground. (Applause.)

Statutory expenditures amounted to \$2,988,444. Included in that expenditure is the amount paid upon our different loans, the amount paid Toronto University, to the Workmen's Compensation Commission, the amount distributed to the municipalities under the railway tax, annuities and railway aid certificates, which last year amounted to nearly \$400,000. All this we paid out of ordinary revenue, and in addition to that we paid the sum of \$559,000, balance of interest on the Temiskaming and Northern Ontario Railway loans; so that last year we paid our way and came through the year with a balance of over \$270,000. (Applause.)

Increased Agricultural Production in Ontario.

In ordinary expenditure there have been some small increases and there have been many decreases. But considering the importance of some questions with which I would like to deal to-day I will pass on to the Department of my hon. friend the Minister of Agriculture. You will find in that Department food for thought. You will recollect that in 1914 when war broke out there went forth from the Minister of Agriculture at Ottawa and our own Minister a call to the agriculturalists of Ontario to increase the output of farm products. My hon. friend the Minister of Agriculture has done more in 1914 with respect to agriculture than most people are aware of. The result of his campaign for more

production has shown us in the Province of Ontario that we have immense possibilities and illimitable resources, and all that is necessary is to get that impulse for success which is always given when men like my hon. friend set the pace for the people. Last year the increase in wheat alone in this one Province was over \$6,000,000, from 16,000,000 bushels in 1914 to 28,000,000 bushels. The acreage increased from 704,000 acres to 903,000 acres, or over 40 per cent. Barley production increased from 18,000,000 bushels in 1914 to 20,000,000 bushels in 1915. Oats from 103,000,000 to 120,000,000. And taking the whole of the Dominion of Canada there is the splendid result that while in 1914 the total production amounted to \$638,000,000, in 1915 it amounted to \$817,000,000. (Applause.) This shows conclusively that the Ministers of Agriculture, both at Ottawa and Toronto, co-operated actively with the farmers in the increased production so urgently needed by Great Britain.

Retrenchment on the T. & N. O. Ry.

One word in reference to the Temiskaming and Northern Ontario Railway. The net income after deducting all expenditures was \$230,984. The net income of the Nipissing Central Railway was \$25,094, making a total of \$256,000, of which we received \$250,000. Let me say a word of commendation with respect to the Chairman. For more than one year he has had in his office a report which recommended considerable changes in the roadway. There are certain grades and curves which ought to be improved. The Chairman, setting an example to this House and to the people of this country, said, "No. Although it is almost essential that these improvements should be carried out, yet in this time of stress I am not going to call on the Government to spend large sums of money for improvements upon the road." (Applause.) During the past year they have been economical, and at a time when most railways have been dropping considerable sums, which they have dropped in proportion, the work has

gone on. They brought into the country between Haileybury and Cochrane 925 settlers. The settlers have taken up 148,000 acres of land. The Abitibi Power & Paper Co., Limited, at Iroquois Falls, is completing its plant at a cost of about \$4,000,000, and during the past year they have been turning out 75 tons of sulphite pulp and 240 tons of ground wood pulp per day. They will employ approximately 1,500 men. At the present time the mill is making daily 200 tons of paper.

Contract with the Grand Trunk Pacific.

Before leaving this item I wish to refer to the action of the Grand Trunk Pacific Railway in connection with its contract with the Government. Some years ago a contract was made between the Grand Trunk Pacific and the Temiskaming and Northern Ontario Railway wherein the Grand Trunk Pacific agreed to pay the sum of \$300,000 per year for running rights over our road. In addition to that they were bound to pay a certain portion of the cost of maintenance and improvements. But during last year a change was made. The Grand Trunk Pacific went to the Dominion Government and refused to carry out the contract. They refused to pay anything towards the improvements we made in accordance with that contract. They refused to abide by it. Now we have a temporary contract with the Dominion Government and the Grand Trunk Railway, and while we hold intact our rights under the agreement, and are advised that we have a good case against the Grand Trunk Pacific (we spent large sums of money in preparing the road for their use), we find that they are unwilling to pay us that which we think they owe. On behalf of the Government, as advised by counsel, I say that if the Grand Trunk Pacific Railway persists in its present attitude it will be the policy of this Government to invoke the aid of the courts in order that we may get our just due from that Company. I trust that during the coming year the receipts from the Temiskaming and Northern Ontario Railway will be considerably increased, and I predict that within a few

years we will be receiving from the Temiskaming and Northern Ontario Railway enough money to pay every cent of interest, which amounts to some \$800,000.

Improvement in Northern Ontario Development.

A word with reference to the work of Mr. J. F. Whitson in Northern Ontario. During the past year there have been employed at different times some 1,500 men on that work. We expended last year \$689,000 in Northern Ontario Development. Much improvement has gone on, and the work will continue during the present year, but not perhaps on so large a scale. I am sure every hon. member will agree with me that the work which is providing places for those who may go to settle in that district when the war is over, which is providing schools and opportunities, all this is work which may be commended and which should go on during this time.

Progress in Hydro-Electric Power Development.

Now let me say a word with regard to the Hydro-Electric Power Commission of Ontario. Last year there was expended by the Commission altogether the sum of \$2,600,000. At the present time there are different systems being carried on by the Hydro-Electric Power Commission, namely, Niagara, Severn, St. Lawrence, Wasdell's Falls, Port Arthur, Eugenia, Muskoka.

We have invested in the Niagara System	\$9,384,899
Severn System	734,586
St. Lawrence System	168,606
Wasdell's Falls System	241,571
Eugenia Falls System	859,342
Port Arthur System	108,035
Renfrew Storage System	20,758
Muskoka System	33,540

\$11,551,337

making a total investment in the Hydro-Electric enterprise now of approximately \$12,000,000.

During the past year there has been paid out by this Government for work done outside of that for the different municipalities, \$219,000. That work is being continued, and in the estimates which will be brought down this present month provision will be made for such advances to the Hydro-Electric Power Commission as may be necessary. One is always ready to admit what a fortunate thing it is for this Province that at this time it should have its publicly-owned hydro-electric power in such efficient working order. Fortunate it is for this Province that we are not beginners in the development of power, for did we to-day attempt to borrow money we might find the money markets of the world deaf to our entreaties. We shall proceed on our way with that development, taking such steps as current conditions may warrant, and working in the interests of the people to the best of our ability.

Assets and Liabilities of Ontario.

Let us now deal with the assets and liabilities of the Province, which you have before you in a printed statement. Let me first say a few words with respect to that which appears for the first time in this statement. When during last year we met the financial men not alone of this city, but of Montreal and the different American cities, and discussed with them the borrowing powers of this Province, it was pointed out to us that the statements rendered by us with our Public Accounts each year were very largely discounted by some provinces of much smaller size and much less productive capacity than ours.

We have been in the habit of showing only what was known as liquid assets. We have a liquid asset, as you know, in the Temiskaming and Northern Ontario Railway and the Hydro-Electric undertaking. We have in addition to that our Dominion Trust Fund. But we have as well many public buildings throughout the Province of Ontario, the value of none of

which was ever shown in our annual statements. We have, in addition to that, immense resources, and the value of these were never shown, and lest my hon. friends should think I had departed altogether from the custom of Legislatures as well as of this country, I wish to state that certain Liberal Governments, both east and west, are in the habit of bringing down in the financial statement figures showing the value of all public buildings, including their telephone and other systems which are considered a portion of their assets. And to-day Ontario has liquid assets of \$41,000,000, and in public buildings and lands assets of over \$20,000,000 besides.

Vast Natural Resources of Ontario.

We have had a valuation made of our resources by Mr. Thos. W. Gibson, a valued officer who served with a former Government and who has continued during the years we have been in power as Deputy Minister of Mines. Mr. Gibson estimates that we have in pine timber \$132,000,000; in pulp wood timber, ties, poles, hardwood, etc., \$225,000,000; mining lands, \$70,000,000; agricultural lands, \$15,000,000; water powers \$20,000,000. I believe he is too modest, and our water powers are worth many times that amount. In sand and gravel we have an asset of \$1,000,000; amount outstanding on crown lands and interest, \$1,000,000; outstanding timber dues and bonus, \$1,300,000; District of Patricia, an area of 146,000 square miles, timber, fisheries, furs and mining possibilities, \$10,000,000. This makes a total of \$475,000,000. (Applause.) In other words, when we go to the money markets of the world and ask men (who are not as familiar with our resources as we are) to lend money on the credit of this Province we offer them a statement showing them the extent of our real resources, which amount to \$535,000,000. (Applause.) If we have to-day debts outstanding amounting to \$49,000,000, we have on the other side assets of \$535,000,000. What other Canadian Province can show so strong a financial standing?

My hon. friend the Provincial Secretary (Mr. Hanna) has done much building during the last ten years, but who doubts that these buildings ought to be a source of great satisfaction when we know that we have provided for the expansion of many years to come. The future holds no hardship for us in that respect, and I therefore congratulate the Provincial Secretary whose foresight has thus provided for the years to come.

The Problem of Taxation.

Let me say one word with reference to taxes. No doubt there are some persons even among the Opposition who are interested in taxes. There are people throughout this Province who are wondering what there is left for me after the Minister of Finance dealt so generously with the question of taxes. Bear in mind that a time may come when we may have to differ with the Minister of Finance at Ottawa with respect to the propriety of the taxation he has imposed. At Confederation the Provinces were given the right to impose direct taxation, but were denied the right to impose indirect taxation. While it is not definitely laid down, there has been an understanding that the Dominion Government would adopt indirect taxation, and we direct taxation. But during the past year there has been a direct tax placed upon the profits of all business. Direct taxation has been resorted to by the Dominion Government. I do not find fault with that tax at all. I commend it, and I say on behalf of the Government of this Province and the people of the Province that with any imposition which the Minister of Finance at Ottawa finds it necessary to make in order to pursue this war successfully we are entirely in accord. (Applause.) But, Sir, when the war is over there will come a time in the history of the Province, as there will come a time in the history of the Dominion, when we must regulate our financial dealings for the future, and among these financial dealings nothing will be more important than the taxation of the people. We desire that this

taxation shall be imposed as fairly as possible. I therefore say that when that time arrives it will be the duty of this Government to see to it that we are given the right to impose within the limits created by the British North America Act such taxation as we may think necessary.

Now, bearing in mind the imposts made by the Minister of Finance, we have been giving consideration to the question of taxation during the past year. There are not many openings left for us. I do not believe nor does this Government believe that the present is the time to change radically our system of taxation. We have been during these years fairly well serving the people. But during the war it would be inopportune to change fundamentally our system of taxation. We have decided that we must have more money, not because we had a deficit last year, and not because we expected a deficit next year, but because we wish to have money with which to give, and give willingly and liberally to terminate this war at the earliest possible moment. (Applause.) There are some sources from which we can derive more revenue. We have decided there are certain forms of amusement which must pay greater tribute to the exchequer of this Province. It is our intention to bring in legislation imposing on all the race tracks doing business in the Province of Ontario a tax of \$1,250 for every day they do business. (Applause.) That tax at the present time is \$500 per day. With the increase we will receive instead of \$40,000 per year \$100,000 per year. In addition to that we intend taxing the people who attend moving picture shows and kindred entertainments, and I have to plead guilty to indulging in that recreation at times myself. My hon. friend the Minister of Lands, Forests and Mines frequently persuades me to go out with him, and I intend taxing him for the pleasure he derives from that entertainment. After considering carefully this legislation and, so far as we can, calculating the extent of the patronage given these places of entertainment, we have decided to tax their patrons. It may be paid by the owners of these shows, but it will be upon

the patrons, and that shall include all theatres, moving picture halls, amusement halls, concert halls, circuses, baseball parks, skating rinks and other places of amusement. We are imposing a tax of one cent upon each paid admission, and that may be increased to twenty-five cents by regulation under Order in Council. You would be surprised to learn that taking that tax of one cent for admissions we will receive about \$350,000 per year in this Province. In other words there are 35,000,000 people who each year attend some kind of entertainment. It is the intention of the Government to exclude all entertainments for philanthropic, religious or patriotic purposes so as not to interfere with the prosecution of the war. I will give further information with regard to this source of tax when the bill is brought down in the House. Aside from this the Government is not going to introduce any tax legislation.

It has been suggested that we should introduce legislation taxing incomes. Fault has been found that the Minister of Finance at Ottawa did not include a tax on incomes. But there already is upon the statute books a law which imposes upon municipalities the duty and right to tax incomes. If we imposed taxation of that kind you would have people in the city of Toronto where they have an income tax paying a double tax. In my own town of Renfrew, where they have a good many millionaires (laughter) we do not have any income tax. But throughout the Province, when we were carrying on our investigation, we found the number of municipalities where an income tax is imposed very few. Until such time as the Government of Ontario is able to meet the representatives of the municipalities and arrive at an agreement whereby they will give us a clear field for the taxation of income we cannot impose such a tax.

It has been suggested to me that we should increase the tax upon the nickel industries. As you are aware my hon. friend the Minister of Lands, Forests and Mines has appointed a Commission to investigate the whole nickel question. Until

our Commission has reported it is not the intention of the Government to change the taxation or legislation affecting any mining company.

In conclusion, let me say one word with reference to what has taken place during the past year and what we are going to do in the year to come. During the past year we have reduced our ordinary expenditure and we have reduced our capital expenditure. I gave you the figures of the reduction in the ordinary expenditure. We reduced our capital expenditure by \$1,500,000. During the year to come our total estimates at the present time amount to \$11,109,000, made up of main estimates of \$9,738,000, and supplementary estimates of \$1,193,000. These estimates do not include the amount which we are expending upon the Hydro-Electric. They will be introduced later on. I feel safe in saying that in the year we have entered upon the total expenditures will be \$1,000,000 less than last year.

The Expenditure of the War Tax.

Now there are some outstanding events which transpired during the year. I want to refer to the collection of the war tax and the expenditure of it. During this year we intend to make a war fund expenditure obtained in the same way, and with this in view I wish to give to the House a statement of the manner in which we expended the money last year. Last session we took occasion to ask this House to give the right to borrow against that fund, and as I explained before in my remarks we borrowed against that fund \$1,940,000. We have expended on account of the war the following sums:

Gift of flour (250,000 bags) to the Mother Country	\$780,468 70
Gift of evaporated apples to the Navy and for relief of Belgians	32,164 85
Gifts to British Navy, Belgians and comforts for Canadians on active service	42,330 06

Gifts of beans to the relief of Belgians	10,900 20
Paid Dominion Government for Machine Guns.	500,000 00
Ontario Military Hospital, Orpington	475,000 00
Equipment for Ontario Military Hospital, including motor ambulances	97,000 00
Organization, Dr. Abbott, British Red Cross	
Trafalgar Day collection	5,000 00
Payments towards recruiting	32,950 00
Commission <i>re</i> employment of returned soldiers	5,300 00
Seamen's Hospital Fund, Greenwich, England..	2,500 00
Polish Relief Committee at Vevy, Switzerland....	5,000 00
	<hr/>
	\$1,988,613 81

Other expenditures incurred by the Ontario Government in connection with the war were:

Salaries of members of civil service on active	
duty	\$32,947 00
Services of watchmen on public buildings	4,946 95
	<hr/>
	\$37,893 95
Discount on issue of Treasury Bills, May, 1915..	57,479 16
	<hr/>
	\$2,083,986 92

In explanation of the item for machine guns may I say that the money for that was not given without approbation from the man who knew most about the requirements of the Dominion Government. The first money for these machine guns was paid as early as October, and I received a letter from Hon. A. E. Kemp, Chairman of the Munitions Committee, saying that 2,500 machine guns had been ordered altogether, and of these 500 were intended to represent the contribution of the people of the Province of Ontario. He said delivery would be completed in February. With the Hon. Minister of Lands,

Forests and Mines I had the opportunity of seeing two of them in operation at Exhibition Camp, and while neither he nor I are experts on machine guns, it was a matter of satisfaction to know that the officers in charge at Exhibition Camp were splendidly pleased with the result of the test, and they commended the Government of Ontario because it had purchased the very latest model of machine gun. These guns are being manufactured in England and America. The British Government has ordered a great many of them, and the guns of the Province of Ontario are I hope on their way to the fields of Flanders and France.

Ontario's Military Hospital in England.

The Ontario Military Hospital at Orpington, Kent, has been looked after by the Minister of Education (Dr. Pyne). I do not think this House will ask me for any extended reference to that hospital. It is situated in Orpington, Kent County. It is completed now, and it has been handed over to the military authorities with the approval of the British Government and the Dominion Government. I know it will not cost this Province too much money. We are paying to that hospital \$150,000 per year, or £30,000, and when we have paid that we are relieved of all responsibility with regard to it. We have selected some eighty nurses, who are now ready to go to that hospital, and thirty doctors, who are also ready to go. We have in connection with that hospital a Psychopathic Section. This is the first military hospital to be equipped with a branch for this work, and the military and medical men at the front testify to the fact that no branch of the service is more urgently required. My hon. friend has chosen for that work men experienced in the public institutions of the Province. The nurses are also chosen from these institutions, and so we will have the satisfaction of knowing that all manner of cases will be competently handled by its staff.

You will notice in the statement that we paid Dr. Abbott \$5,000 for the organization of the British Red Cross Trafalgar Day collection; we paid towards recruiting altogether \$32,000; we paid for the Commission of Employment for Returned Soldiers \$5,300; to the Seamen's Hospital Fund, Greenwich, \$2,500; to the Polish Relief Fund \$5,000; and we have paid the difference in salaries to members of the civil service on active duty the sum of \$37,893. Altogether we have paid out with the discount on the Treasury bills \$2,083,968, or, in other words, over \$100,000 more than we received from the war fund.

"Made in Ontario" Hospital Equipment.

I want to say one word with reference to the hospital equipment, for which you will see a charge of \$97,000. All of it was supplied from the industries in the public institutions presided over by my hon. friend the Provincial Secretary. (Applause.) It is a tribute to the development of these industries that we have been able to equip our nurses and send to the hospital in England almost all the furnishings required. With regard to the future of the hospital, as I have already said, \$150,000 will be paid annually to the Dominion Government, and they take absolute charge of the running of the hospital, and whatever arrangements are made with the War Office will be between the Dominion Government and the War Office. The action of the Ontario Government with regard to the hospital has been to build it, equip it, send nurses and doctors there, and hand it over to the Dominion Government. We are relieved of all expenses for maintenance by the payment of \$150,000 a year. We did that because we have no facilities for entering the hospital field in England. We felt we would be discharging our duty in providing the hospital for operation without delay and contributing to the maintenance.

Contributions to Red Cross Society.

A word with reference to the British Red Cross Society. For the first time in history a call from the motherland was heard through the length and breadth of the Empire. There was no land which owed its allegiance to Great Britain that did not send its tribute upon that occasion. One vied with the other in answer to the call. The Province of Ontario responded, and I want now to pay a tribute to Dr. Abbott, who was the secretary of the committee formed here. (Applause.) I have had the privilege of working with men under many conditions, but I never worked with a man who was more earnest and assiduous than he was in the performance of his duty. Let me say if the collection was a success much credit is due to the Lieutenant-Governor, the Prime Minister and the Leader of the Opposition and many other gentlemen who co-operated. I hold here in my hand a report from the Chairman of the Finance Committee of the British Red Cross Society. In this he gives us a statement showing what the different portions of the Empire contributed. Mr. Speaker, there is no better lesson for a man who claims citizenship in the British Empire than to read here the names of those different localities from which money was sent. This is the list :

	£	s.	d.
Newfoundland	2,337	16	10
The Commonwealth of Australia	14,673	0	0
The Dominion of New Zealand	16,654	16	11
The Union of South Africa	3,767	0	9
British West Africa	10,984	14	6
British Central Africa	451	2	0
British East Africa	2,298	5	0
Southern Rhodesia	223	7	11
Egypt	115,419	9	9
Malta	487	14	6
Cyprus	542	18	3
Gibraltar	320	11	2
British West Indies	8,292	9	6

The Bermudas	1,823	5	0
Falkland Islands	94	2	9
St. Helena	150	0	0
Seychelles	168	0	0
Eastern Colonies	4,766	1	7
Fiji	1,909	4	1
British Guiana	3,300	0	0
Foreign Countries—			
Oporto	235	17	11
Sweden (British residents)	137	17	10
Casablanca, Morocco	70	0	0
China (British residents)	52	10	5
Valparaiso	48	19	9

In addition from Havana:

70,000 Cigars.

1,000 Guava Jelly.

1,000 Litres of Alcohol.

Then we come to our own Dominion of Canada.

Quebec	£45,000
Nova Scotia	14,000
Manitoba	4,000
Saskatchewan	3,000
New Brunswick	35,000
British Columbia	25,000
Prince Edward Island	22,000
Alberta	13,920 and
Ontario	300,000

more than all the rest put together. (Applause.)

In addition to that the people have given in other ways. The people of the Province of Ontario gave to the Canadian Patriotic Fund in 1914 \$2,350,000; to the Canadian Red Cross Society \$2,994,000. The balance of public subscriptions for machine guns \$500,000. Expenditures by municipal councils, assisted by other contributions to central funds, \$1,205,000.

To the Belgian Relief Fund, \$362,000; Toronto University Hospital, \$135,000; Queen's University Hospital, \$23,000; Toronto News Tobacco Fund, \$4,300. Taking the figures up to November 15th last altogether there has been given to the war \$11,102,000 from the people of Ontario. (Cheers and applause.) These things, Mr. Speaker, make one stop to consider how much this war has touched the people of Ontario, and how strenuously and seriously all are working that the end they desire may be reached. And in doing that I would like to consider what our future is likely to be and what we ought to do during the present year.

Ontario's Financial Credit Stands High.

I have stated that our system of finance was changed by reason of this war. All down during the years since Confederation our borrowing had been done in the London market. When war was declared we owed a considerable amount of money there. Since war was declared in 1914 there is no money in England for us. We are not asking England for money. We should not ask for money during the period of this war and for a number of years after the war. We have been looking for other markets. My hon. friend who preceded me in the office of Treasurer sought another market and obtained it, and since I became Provincial Treasurer I have been seeking other markets, and I am glad to be able to state that the financial credit of Ontario never stood higher than it does to-day, nor does the credit of any Canadian Province stand higher. But we must bear this fact constantly in mind: that we cannot maintain that place if we are extravagant in our expenditures or if we enter upon new enterprises during this war. We must consider whether an undertaking which we are thinking of entering upon is necessary during this war. If it is not necessary the financial men whom we met during the last year and who have confidence in Ontario will ask not what we want to do to-day or to-morrow or next week, but what

we want during this year and next year and the year following. These men are living in a market that is easily affected, but we have been building up confidence in that market, and that confidence exists to-day because we have been able to show them that we have not been extravagant, that we have abundant resources, and that we are not contemplating entering upon any new undertakings. There may be undertakings which are necessary; there may be undertakings which will bring more than we are giving; if there are I am sure these men will approve of our entering upon them. But I give a word of warning to hon. members of this House, that because of that sensitive market, it is wise for this Legislature to undertake no more work than is absolutely essential. (Applause.)

Money Markets are Sensitive.

I have said that the financial world is sensitive with respect to the loaning of money. I am going to quote the opinions of some of the leading men of finance. I have here an article from the *Monetary Times*, Toronto, of the issue of February 25th, which refers to the part that Canada is taking in the great war is having a favourable effect on our credit in the United States. It says:

“Canadian high-grade securities, as a group, are also very attractively viewed from all proper angles. In an article in the current issue of *McClure's Magazine* on Canadian bonds Mr. Atwood W. Atwood, a financial writer in the popular magazine, says: ‘The canny investor had better leave to others the newer railway securities, unless he prefers adventure. Also debentures of Provinces which have gone in rather deeply in the way of railroad guarantees, or of new and small western towns, which have entered the street car business heavily, had better be left to others. Likewise beware of bonds of towns solely dependent upon the mining or lumbering industries.’”

I say again let us be warned by what may follow if we are not careful of our assets, to beware of entering upon any undertaking which in this hour is unnecessary. And having said that one word with regard to financial conditions let me say that the Government is not afraid of the year that is coming. We never entered upon a year with more satisfaction, and we never entered upon a year in a better position; we were never so assured as we are to-day that the heart of the people is in this war, and when I read the words of Premier Asquith in the House of Commons the other day, and when you have heard them you will become convinced of the significance attached by me to the warning of what lies before us. It was in the House of Commons he was asked by Mr. Philip Snowden, Labour Member, this question:

“There is no ground for hope for a decisive and crushing victory on either side. England has a right to demand that the Government state in more definite and precise language the terms upon which they will be willing to consider peace.”

And the answer of the Prime Minister was:

“What I said November 9th, 1914, I repeat now: ‘We shall never sheathe the sword which we have not lightly drawn until Belgium—and I will add Serbia—recover in full measure all and more than they have sacrificed; until France is adequately secured against aggression; until the rights of the small nations of Europe are based upon an unassailable foundation, and until the military domination of Prussia is wholly and finally destroyed.’”

British Liberty shall Reign World-wide

The Prime Minister of the Great British Empire has spoken to all the people of the Empire. We join him in say-

ing that until all that he asks is secured we are in this war to stay.

Let us therefore as members of this House look upon the future with confidence, yet realizing the seriousness of the duties devolving upon each one of us. Remember that as members of this Legislature, representing different constituencies, each one can have some effect in hastening the desirable end. Let us as soon as we are through our duties in this House, as soon as we pass necessary legislation, so soon as we are able to return to our usual vocations, one and all determine to put our shoulders to the wheel in what ever work God has given us the ability to perform. Let us continue to work that we may be able to meet here this day twelve-month with the satisfaction of knowing that we have been able to "carry on," and to use our influence and our strength and our energy in order that liberty may prevail throughout the world. (Loud and prolonged cheers.)

CASH AND DEBENTURE ASSETS OF THE PROVINCE.

OCTOBER 31ST, 1915.

BANK BALANCES:—

Current Account	\$ 410,747 03
Special deposits bearing interest.....	4,125,000 00
	<hr/> \$4,535,747 03
(Including Federal Subsidy for Agriculture, unexpended, \$42,393.83.)	

SINKING FUNDS:—

Amount of stock purchased for the Province for sinking fund by the Bank of Montreal, Fiscal Agents, to the 31st of October, 1915.	
One half of 1 per cent. per annum on the principal:	
£1,200,000 Loan, 5 Edw. VII, cap. 2 and 3.	
£72,483 3s. 7d. at par of exchange.	352,268 24
£1,640,547 18s. 11d. Loan, 8 Edw. VII., cap. 11 and 12.	
£44,349 18s. 8d. at par of exchange	215,540 68
£817,294 Loan, 4 Geo. V., cap. 9.	
£4,371 13s. 2d. at par of exchange.	21,246 26
Hydro-Electric Power Commission, Sinking Fund payment	175,000 00

DEBENTURES:—

Drainage Debentures, Municipal	335,611 48
Tile Drainage Coupons	174,346 39
Sault Ste. Marie Debentures	25,572 50
Village of Eganville Debentures	11,898 79
Town of Cochrane Debentures	34,464 09
Township of Whitney Debentures	16,673 08
Township of Tisdale Debentures	36,668 37
	<hr/> 635,234 70

Temiskaming and Northern Ontario Railway, amount expended to October 31st, 1915.....	20,483,415 77
Hydro-Electric Power Commission of Ontario, amount advanced to October 31st, 1915	12,490,712 08
Less Sinking Fund payment in 1915	175,000 00
	<hr/> 12,315,712 08

(Interest and Sinking Fund to be paid by Municipalities.)

Balance due from sale of Central Prison and Toronto Asylum properties	835,474 42
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TRUST FUND OF THE PROVINCE HELD BY THE DOMINION.

Common School Fund (see Consolidated Statutes, c. 26), 1,000,000 acres set apart (proceeds realized to 31st December, 1914), after deducting Land Improvement Fund, \$2,635,834.16, portion belonging to Ontario as per population of 1911. \$1,469,498 97

NOTE.—See Awards, Sessional Papers, 1900 and 1901.

Common School Fund, Montmorency Bridge Debentures paid over to the Dominion <i>re</i> Quebec Turnpike Trust, \$6,000.00, portion belonging to Ontario as per population of 1911	3,345 05	
		1,472,844 02
		<hr/>
		41,042,483 20

ASSETS—PUBLIC BUILDINGS AND LANDS.

Present value of Buildings and Lands on which they stand and surrounding areas belonging to the Province, October 31st, 1915	20,349,356 29
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ESTIMATED ASSETS—RESOURCES.

Pine Timber	\$132,000,000 00
Pulpwood Timber, Ties, Poles, Hardwood, etc.	225,000,000 00
Mining Lands and Profits	70,000,000 00
Agricultural Lands	15,000,000 00
Water Powers	20,000,000 00
Sand, Gravel, etc.	1,000,000 00
Amount outstanding on Crown Lands and Interest	1,000,000 00
Amount outstanding on Timber Dues, Bonus, etc. (31st October, 1915)....	1,250,000 00
District of Patricia, area of 146,000 miles, Timber, Fisheries, Furs and Mining Possibilities	10,000,000 00
	<hr/>
	\$475,250,000 00

DIRECT LIABILITIES OF THE PROVINCE.

(1) Ontario Government Inscribed Stock (London, Eng., loan), 5 Edward VII., cap. 2 and 3, 3½ per cent., principal due 1st January, 1946, for construction of Temiskaming and Northern Ontario Railway, £1,200,000 at par of exchange	\$5,840,004 00
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(2) Ontario Government Inscribed Stock (London, Eng., loan), 8 Edward VII., cap. 11 and 12, 1 Geo. V., cap. 4, and 2 George V., cap. 2, 4 per cent., principal due May 1st, 1947, for construction of Temiskaming and Northern Ontario Railway, etc., £1,640,547 18s. 11d., at par of exchange	7,984,000 00
(3) Ontario Government Inscribed Stock (London, Eng., loan), 4 George V., cap. 9, 4½ per cent., principal due January 1st, 1965, £817,294, at par of exchange	3,977,497 47
(4) Ontario Government Bonds and Stock, 5 Edward VII., cap. 2, and 6 Edward VII., cap. 4 (Canadian loan), 3½ per cent., principal due July 1st, 1926, and July 1st, 1936, for construction of Temiskaming and Northern Ontario Railway	3,000,000 00
(5) Ontario Government Bonds and Stock, 5 Edward VII., cap. 2 and 3 (Canadian loan), 4 per cent., principal due June 1st, 1939, for construction of Temiskaming and Northern Ontario Railway	1,150,000 00
(6) "A" Ontario Government Bonds and Stock, 8 Edward VII., cap. 12, and 9 Edward VII., cap. 8 (Canadian loan), 4 per cent., principal due June 1st, 1939	3,500,000 00
(7) "B" Ontario Government Bonds and Stock, 1 George V., cap. 9, and 8 Edward VII., cap. 12 (Canadian loan), Algonquin Park Loan and Purchase Act, 4 per cent., principal due May 1st, 1941	500,000 00
(8) "C" and "D" Ontario Government Bonds and Stock, 8 Edward VII., cap. 12, and 1 George V., cap. 4, (Canadian loan), 4 per cent., principal due November 1st, 1941	3,000,000 00
(9) Ontario Government Stock, Charitable and Educational Bequests, 9 Edward VII., cap. 26, sec. 42, and 10 Edward VII., cap. 26, sec. 47	109,900 00
(10) "E," "F" and "G" Ontario Government Bonds, R.S.O., 1914, cap. 39, sec. 14, and R.S.O., 1914, cap. 21 (Canadian loan), 5 per cent., principal due October 1st, 1919	3,000,000 00

(11) "H" Ontario Government Bonds, R.S.O., 1914, cap. 39, sec. 14, due February 1st, 1920 (Canadian loan), 5 per cent.	3,000,000 00
(12) "K" Ontario Government Bonds, 4 Geo. V., cap. 9 and 5 Geo. V., cap. 5, due April 15th, 1920 (Canadian loan), 5 per cent.	1,000,000 00
(13) "L" Ontario Government Bonds, 5 Geo. V., cap. 4, due May 1st, 1925 (Canadian loan), 4½ per cent.	4,000,000 00
(14) "Q" Treasury Bills, 5 Geo. V., cap. 3, War Tax Act, interest 3⅞ per cent. per annum, due February 1st, 1916	2,000,000 00
(15) "R" Treasury Bills, R.S.O., 1914, cap. 21, as amended by 4 Geo. V., cap. 8 and cap. 9, as amended by 5 Geo. V., cap. 5. Interest, 4½ per cent. per annum, due June 9th, 1916	3,000,000 00
(16) Railway Certificates, present value outstanding on 31st October, 1915....	\$2,270,747 03
Annuity Certificates, present value outstanding on 31st October, 1915.....	1,167,505 81
	<hr/> 3,438,252 84
(17) Common School Fund collections by Ontario, from 1st January, 1915, payable to the Dominion, in trust for both Provinces as follows	2,211 60
In Trust for Ontario	1,232 98
In Trust for Quebec	978 62
(18) University of Toronto Certificates, \$30,000.00 per annum for 20 years, 5 Edward VII., cap. 37, present value at 3½ per cent. per annum	426,372 00
(19) Assurance Fund under Land Titles Act, R.S.O., 1914, cap. 126, sec. 128....	110,000 00
(20) Municipal Securities, 8 Edward VII., cap. 51, Municipal Sinking Funds on deposit with the Province of Ontario to October 31st, 1915, with accrued interest at 4 per cent.	251,128 80
(21) Queen Victoria Niagara Falls Park Bonds, Sinking Fund payment	100,000 00
	<hr/> \$49,389,366 71

INDIRECT LIABILITIES OF THE PROVINCE AND GUARANTEES.

(1) Niagara Falls Park Bonds:—

(50 Vic., c. 13)	\$525,000 00	
(57 Vic., c. 13)	75,000 00	
(8 Edw. VII., c. 29)	100,000 00	
(10 Edw. VII., c. 21)	200,000 00	
		\$900,000 00

NOTE.—The income of the Park Commission from lease of power, etc., was sufficient to pay all maintenance and interest charges and leave a balance available for capital expenditure.

(2) The Canadian Northern Ontario Railway Company.

Guarantee by the Province of Ontario under authority of 8 Edward VII., cap. 47, of principal and interest at $3\frac{1}{2}$ per cent. per annum, Debenture Stock of above Railway, payable in 30 years from 30th June, 1908, £1,615,068 9s. 7d. sterling

7,860,000 00

Secured by First Mortgage on Railway, Rolling Stock and Terminals.

(3) University of Toronto.

Guarantee by the Province of Ontario, under authority Orders-in-Council, 15th July, 1908, and 16th June, 1909, Debentures of above University, payable 15th July, 1910, to 15th July, 1949, 40 years, \$500,000.00.

Present value for 34 years at 4 per cent. 465,066 91

(4) University of Toronto.

Guarantee by the Province of Ontario, under authority Order-in-Council, 7th April, 1911, Debentures of above University, payable 1st January, 1912, to 1st January, 1951, 40 years, \$130,000.00.

Present value for 36 years at 4 per cent. 124,189 58

(5) University of Toronto.

Guarantee by the Province of Ontario, under authority Order-in-Council, May, 1912, Debentures of above University, payable 1st January, 1912, to 1st January, 1951, 40 years, \$300,000.00.

Present value for 36 years at 4 per cent. 286,592 79

(6) University of Toronto.

Guarantee by the Province under authority of Order-in-Council, April 14th, 1915, Debentures of above University, payable in 40 equal annual payments.

Present value	110,000 00	
	<hr/>	985,849 28

(7) The Toronto and Hamilton Highway Commission.

Guarantee by the Province of Ontario, under the authority of 5 Geo. V., cap. 18, Debentures of above Commission, due November 1st, 1919. Interest at 5 per cent. per annum

.....	600,000 00
	<hr/>
	\$10,345,849 28

Receipts and Expenditure, Fiscal Year Ended October 31st, 1915.

RECEIPTS.

Balances as per Public Accounts, 1914.

	\$	c.	\$	c.	\$	c.
Amount at Special Deposit, October 31st 1914.....			1,350,000	00		
Amount at Current Account, October 31st, 1914			285,874	25		
			<u>1,635,874</u>	25		
Less balance of Federal Sub- sidy for Agriculture, de- posited to Special Account..			60,068	36		
			<u>1,575,805</u>	89		

From Dominion of Canada:

Subsidy on population, B.N.A. Act, 1907	2,013,964	40
Subsidy, 47 Vic., c. 4	142,414	48
Special Grant, B.N.A. Act, 1907	240,000	00
	<u>2,396,378</u>	88

Interest Paid by Dominion,

see Statement No. 3.....	73,358	72
Interest on Investments ...	167,283	13
	<u>240,641</u>	85

Lands, Forests and Mines:

LAND COLLECTIONS:

CROWN LANDS:

Agricultural	\$49,364	38
Townsites	1,930	02
	<u>51,294</u>	40
Mining	46,584	88
Clergy Lands ...	99	20
Common School Lands	3,987	37
Grammar School Lands	1,003	29
University Lands	1,360	57
	<u>6,450</u>	43

RENT:

Mining Leases ..	13,841	58
Crown Leases ...	39,637	79
	<u>53,479</u>	37
Miners' Licenses.	27,850	73
Permits	481	00
Recording Fees..	23,976	97
	<u>52,308</u>	70
Royalties	52,860	60

SUPPLEMENTARY REVENUE:

Acreage Tax	10,716	24
Profit Tax	139,978	62
Gas Tax	26,406	67
	<hr/>	
	177,101	53

WOODS AND FORESTS:

Bonus	507,241	43
Timber Dues . . .	928,351	38
Ground Rent . . .	89,952	01
Transfer Fees . .	2,560	00
	<hr/>	
	1,528,104	82

Provincial Assay		
Fees	289	15
Casual Fees	590	56
Cullers' Fees . . .	80	00
	<hr/>	
	959	71

Algonquin Provin-		
cial Park	2,166	84
Quetico Provin-		
cial Park	536	19
Forest Reserves..	1,259	50
	<hr/>	
	3,962	53

REFUNDS:

Fire Ranging . . .	34,902	98
Wood Ranging . .	11,863	92
Algonquin Provin-		
cial Park	1,721	52
Agents' Salaries.	343	00
Mines and Mining	47	40
Salaries and Ex-		
penses	2	50
Contingencies . .		85
	<hr/>	
	48,882	17
	<hr/>	
	2,021,989	14

Law Stamps	121,537	60
Education	76,570	55
Provincial Secretary	1,637,559	17
Reception Hospital, Toronto	6,942	48
Game and Fisheries	168,763	47
Agriculture	158,734	52
Corporation Tax Act, R.S.O., 1914, cap. 27,		
with amendments	1,831,311	73
Succession Duty	1,615,777	84
Succession Duty (Funds deposited in lieu		
of Bond for payment of Succession Duty)	105,390	00
Casual Revenue	472,299	61
Insurance Department	73,036	37
Hydro-Electric Power Commission:		
Interest paid by Municipalities under		
R.S.O., 1914, chap. 39, sec. 23 (a)	452,320	81

Temiskaming and Northern Ontario Railway , from earnings on account of interest	250,000 00
Ontario War Tax Act , 5 Geo. V., cap. 3, proceeds of sale of Treasury Bills	1,346,478 17
Total Ordinary Receipts	12,975,732 19
Drainage Debentures, Municipal	36,700 80
Drainage Debentures, Tile	12,880 00
Ontario Government Inscribed Stock (London, England, Loan) , 4 Geo. V., cap. 9, Balance from Loan issued in 1914, £8,775 10s. 5d. (See Statement 16, 1914 Public Accounts)	42,707 53
Province of Ontario Loan (Canadian) , Series "E," "F," and "G." See Statement No. 16	1,784,690 00
Province of Ontario Loan (Canadian) , Series "H." See Statement No. 16	1,528,900 00
Province of Ontario Loan (Canadian) , Series "K." See Statement No. 16	1,002,500 00
Province of Ontario Loan (Canadian) , Series "L." See Statement No. 16	3,863,200 00
Treasury Bills , Sale of, 4 Geo. V., cap. 9. See Statement No. 17	92,953 74
Balance War Loan , 5 Geo. V., cap. 3. See Statement No. 17	596,042 67
Municipal Debentures	7,385 30
Municipal Securities , Municipal Sinking Funds received for fiscal year ended October 31st, 1915	63,698 29
J. I. Carter , bequest, deposit	60,000 00
Deaf and Dumb Institute , bequest, deposit	3,900 00
Stationery Account , excess of distribution over purchases	934 91
Sinking Fund , Queen Victoria Niagara Falls Park	100,000 00
Hydro-Electric Sinking Fund	175,000 00
	<hr/>
	23,923,031 32

PAYMENTS.

	\$	c.	\$	c.
For Civil Government	797,352	50		
" Legislation	291,171	83		
" Administration of Justice	774,232	97		
" Education	2,067,448	63		
" Public Institutions Maintenance	1,389,932	87		
" Colonization and Immigration	48,579	81		
" Agriculture	685,970	19		
" Hospitals and Charities	480,639	25		
" Repairs and Maintenance	189,721	91		
" Colonization Roads	220,262	26		
" Charges, Crown Lands	490,672	66		
" Refunds	77,280	48		
" Game and Fisheries	130,859	50		
" Treasury Department, Miscellaneous ..	36,239	73		

For Miscellaneous Services	174,793	85	
“ Hydro-Electric Power Commission:			
Expenditure charged to Province ..	219,490	84	
			8,074,649 28

Public Buildings, etc.:

For Miscellaneous Buildings	9,977	75	
“ Hospitals for Insane	33,393	17	
“ Reformatory for Females	2,241	88	
“ Ontario Provincial Reformatory	2,214	68	
“ Osgoode Hall	16,986	09	
“ Normal Schools	24,018	75	
“ Agricultural College	1,520	27	
“ Deaf and Dumb Institute, Belleville...	4,619	30	
“ Blind Institute, Brantford	2,112	61	
“ Unorganized Districts	12,239	84	
“ Public Works	151,996	45	
“ Under Special Warrants	33,468	93	
“ Statutory Expenditure	2,988,444	99	
			3,283,234 71

Expenditure by Ontario Government, in connection with the war, in 1915:

Gift of Flour to the Mother Country	500,661	90	
Gift of Evaporated Apples to the Navy and for relief of Belgians	12,164	85	
Gifts to British Navy, Belgians, and comforts for the Canadians on active service	20,342	80	
Gift of Beans, to the relief of the Belgians	10,900	20	
Purchase of Machine Guns	500,000	00	
Ontario Military Hospital	250,000	00	
Equipment for Ontario Military Hospital, including motor ambulances	28,195	77	
Salaries of members of Civil Service on Active Duty	19,656	00	
Services of Watchmen, Public Buildings.	3,556	65	
Dr. Abbott, Red Cross	1,000	00	
			1,346,478 17

Total Ordinary Expenditures 12,704,362 16

	\$	c.	\$	c.
For Drainage Debentures, Municipal (Statutory)	2,438	70		
“ Drainage Debentures, Tile (Statutory)	95,902	86		
“ Advanced to Temiskaming and N. O. Ry. (Statutory)	236,963	78		
“ Roads in New Ontario	665,425	17		
“ Good Roads (Statutory)	261,840	61		
“ New Government House	226,991	23		
“ Ontario Reformatory, Guelph, purchase of lands, etc.	362,131	32		
“ Parliament Buildings, Addition to, etc.	5,150	60		

For Ontario Veterinary College, New Building	37,066 05	
" Ontario Agricultural College, Dining Hall, etc.	31,847 07	
" Ontario Reformatory Abattoir	29,580 15	
" Deaf and Dumb Institute, Belleville, New Dormitories	20,049 92	
" Blind Institute, New Dormitories, etc.	10,213 54	
" Brockville Asylum, Additional Buildings	40,751 77	
" Orillia Asylum, Additional Cottages	56,228 04	
" Ontario Reformatory, Mimico Industries	86,007 40	
" New Hospital for Insane, Whitby	490,712 51	
" District of Thunder Bay:		
Industrial Farm, Fort William	30,190 60	
Registry Office, Fort William	12,629 81	
" London Asylum, Additional Buildings and Amusement Hall	17,879 13	
" District of Temiskaming, Court House and Registry Office, Haileybury	8,853 00	
" Rainy River District, New Court House, Fort Frances	11,064 25	
" District of Sudbury, Industrial Farm, Burwash	65,191 97	
" Algoma District, Court House and Gaol, Sault Ste. Marie	10,914 62	
" Municipal Sinking Funds, payment of completed by-laws	28,782 70	
" Retirement of \$1,500,000 Treasury Bills, Bank of Montreal, Toronto	1,500,000 00	
" Advanced to Hydro-Electric Commission during fiscal year ended 31st October, 1915, to be repaid by Municipalities	2,380,509 16	
	<hr/>	6,725,315 96
" Amount at Special Deposit October 31st, 1915	4,125,000 00	
" Amount at Current Account October 31st, 1915	410,747 03	
	<hr/>	4,535,747 03
Less balance of Federal Subsidy for Agriculture, deposited to Special Account	42,393 83	
	<hr/>	4,493,353 20
		<hr/>
		23,923,031 32

ESTIMATED RECEIPTS FISCAL YEAR ENDING OCTOBER 31st, 1916.

Subsidy	\$2,396,378 88
Interest on Common School Funds held by the Dominion	\$75,000 00
Interest on Investments	125,000 00
	<hr/>
Lands, Forests and Mines Department	200,000 00
Public Institutions	1,800,000 00
Education Department	250,000 00
Provincial Secretary's Department	75,000 00
Automobile Licenses	110,000 00
Agriculture	550,000 00
Casual Revenue	140,000 00
Insurance Department	350,000 00
Succession Duties	73,000 00
Corporation Tax Act	1,500,000 00
Tavern and Brewers' Licenses	1,700,000 00
Law Stamps	600,000 00
Game and Fisheries	125,000 00
Earnings, T. & N. O. Ry.	180,000 00
Hydro-Electric Power Commission, Interest, etc.	250,000 00
Provincial War Tax	550,000 00
	<hr/>
Total Estimated Receipts	1,980,000 00
	<hr/>
	\$12,829,378 88

ESTIMATED EXPENDITURE FISCAL YEAR ENDING OCTOBER 31st, 1916.

Civil Government	\$903,684 12
Legislation	329,309,04
Administration of Justice	806,128 94
Education	2,392,460 60
Public Institutions Maintenance	1,641,691 96
Agriculture	834,059 95
Colonization and Immigration	121,401 45
Hospitals and Charities	526,594 37
Repairs and Maintenance	237,730 77
Public Buildings	621,133 75
Game and Fisheries	147,717 43
Attorney-General's Department, Miscellaneous	194,721 50
Provincial Secretary's Department, Miscellaneous....	122,355 20
Treasury Department, Miscellaneous	84,853 41
Public Works	132,600 00
Colonization Roads	84,000 00
Charges on Crown Lands	792,840 99
Refunds	94,742 96
Miscellaneous	74,424 61
	<hr/>
	\$10,142,451 05

Capital:

New Ontario Reformatory	150,000 00
New Government House	100,000 00
Hospital for Feeble-Minded, Orillia, additional build- ings (part re-vote)	65,000 00
Hospital for the Insane, Toronto, additional buildings, farms, land and equipment	150,000 00
Normal and Model Schools, Ottawa, reconstruction..	50,000 00
Ontario Agricultural College, new buildings, etc.	28,000 00
Court Houses, Industrial Farms, Gaols and Registry Offices, Districts of Temiskaming, Sudbury, Algoma and Thunder Bay	246,085 00
	<hr/>
	\$10,931,536 05

Statement showing amounts payable annually for certificates issued by the Treasurer of the Province for "Aid to Railways" and Annuities.

Year.	Railway Aid Certificates.	Annuities.	Year.	Railway Aid Certificates.	Annuities.
	\$ c.	\$ c.		\$ c.	\$ c.
			Fr'd.	2,473,942 92	1,436,850 00
1915		51,450 00	1934	123,021 74	28,700 00
1916 139,112 54		102,900 00	1935	111,128 54	24,700 00
1917 139,112 54		102,900 00	1936	105,090 01	16,700 00
1918 139,112 54		102,900 00	1937	94,459 80	9,200 00
1919 139,112 54		102,900 00	1938	90,961 80	2,850 00
1920 139,112 54		102,900 00	1939	86,122 35	.....
1921 139,112 54		102,900 00	1940	82,239 02	.....
1922 139,112 54		102,900 00	1941	67,943 75	.....
1923 139,112 54		102,900 00	1942	31,818 40	.....
1924 139,112 54		96,200 00	1943	24,920 51	.....
1925 139,112 54		82,500 00	1944	22,695 08	.....
1926 139,112 54		69,350 00	1945	18,251 86	.....
1927 139,112 54		56,950 00	1946	18,251 86	.....
1928 139,112 54		50,700 00	1947	18,251 86	.....
1929 139,112 54		50,700 00	1948	18,251 86	.....
1930 138,412 94		50,700 00	1949	6,871 26	.....
1931 134,914 94		43,700 00	1950	699 60	.....
1932 127,918 94		32,700 00	.....	.....	.....
1933 125,120 54		28,700 00	.....	.....	.....
Fr'd.	2,473,942 92	1,436,850 00	Totals	3,394,922 22	1,519,000 00

NOTE.—Present value of Railway Certificates, October 31st, 1915 (interest $1\frac{3}{4}$ per cent. half yearly)..... \$2,270,747 03
 Present value of Annuities, October 31st, 1915, (interest $1\frac{3}{4}$ per cent. half yearly)..... 1,167,505 81

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